



Regulatory Update

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REGULATORY UPDATES

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Update

Summary

Action for firms

FCA Webinar on Overseeing Your Appointed Representatives

Applies to: All firms

The FCA continues its supervisory focus on principal firms and their oversight of Appointed Representatives (ARs). A newly released on-demand webinar offers practical guidance to help firms strengthen their governance, monitoring, and compliance frameworks following the enhanced AR regime that came into effect in December 2022.

What to expect from the webinar:

The session covers:

- FCA expectations of principals under the enhanced AR regime
- Best practice for conducting due diligence and ongoing oversight
- Common oversight failings seen in supervisory reviews
- Key takeaways from recent thematic work and enforcement cases

The content is designed to help firms strengthen governance, clarify responsibilities, and improve their approach to monitoring and control of ARs.

Action to Take:

- Register for the webinar [here](#).

| Update | Summary | Action for firms |
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BIBA Conference 2025

Applies to:
All insurance firms

Overview:
The UK’s largest insurance broking event returns on 14–15 May 2025 at Manchester Central.

This year’s BIBA Conference explores the theme “*A New Era*”, bringing together industry leaders, regulators, and innovators.

- Action to Take:**
- Register [here](#).

Update

Summary

Action for firms

FCA Board Meeting Minutes (27 March 2025)

Applies to:
Firms with EU links

Overview:

The FCA Board convened on 27 March 2025, addressing several pivotal developments:

- **PSR Consolidation:**

Plans are underway to integrate the Payment Systems Regulator (PSR) into the FCA. A consultation by HM Treasury is expected this summer. Discussions have begun regarding staff integration and operational alignment.

- **Enforcement Policy Update**

The Board reviewed a draft of the amended Enforcement Investigation Publicity policy, indicating a forthcoming policy statement by June.

- **Operational Resilience**

Approval was granted for the FCA's Operational Resilience Self-Assessment for 2024-25, emphasising the need for adequate resourcing, particularly in the Complaints function.

- **Digital Securities Sandbox**

The Board approved the creation of a Digital Securities Sandbox Rule Instrument, facilitating innovation by displaying particular activity-specific requirements in the FCA Handbook for Category 1 Ancillary Activities.

- **PISCES Initiative**

An update on the Private Intermittent Securities and Capital Exchange System (PISCES) was provided, with a policy statement anticipated in June following the expected laying of the Statutory Instrument in May.

Action to Take:

- Read the further publication [here](#),

Update

Summary

Action for firms

VAT Exemption for Insurance Intermediaries Clarified – *WTGIL Ltd v HMRC*

Applies to:
Firms with Insurance firms

Overview:

What happened?

In *WTGIL Ltd v HMRC*, the Court of Appeal ruled that a telematics-based insurance intermediary business was entitled to VAT exemption, even where it involved the physical provision and installation of a ‘black box’ in customers’ vehicles.

The black box, which tracked driving behaviour, was considered **integral to the insurance Contracts** are being arranged, and the risk is being assessed by the insurer.

Key Reasoning

The Court concluded that the black box was not a separate supply, but a necessary component of the insurance mediation process.

It facilitated the insurance cover, since without it the customer could not qualify for the Policy. There was a direct link between the provision of the device and the insurance contract, meaning it fell within the VAT exemption under the UK VAT rules.

Practical Implications for Firms

If your intermediary firm provides telematics devices, tracking tools, or other physical components as part of the insurance arrangement:

- You may still qualify for VAT exemption, provided the component is essential
- Don’t assume all value-added services are exempt ;
you must show the service is part of the core intermediation activity, not a stand-alone commercial add-on.
- Review your contracts and VAT treatment for bundled services, especially if you offer risk-based pricing or product enhancements.

This decision could support claims for VAT refunds or revised accounting where HMRC previously rejected exemptions.

Action to Take:

- Review the treatment of VAT services.



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